

Risks & Mitigation:

	Value	Risk Adj	Gross Risks	Associated Cost Reductions	Additional Savings	Net I & E Risk	Mitigations	Net Financial Effect	Mitigation/Recovery Actions	Director Responsible
	£'M	%	£'M	£'M	£'M	£'M	£'M	£'M		
Income Risk:										
Marginal Rate Emergency Tariff	4.6		(4.6)			(4.6)	2.3	(2.3)	Negotiation with CCGs: timetable being reset: estimated date for completion Oct 2017	CFO
Readmissions Deductions	0.7		(0.7)			(0.7)	0.7		To be discussed at Sept Contract Management Board - CCGs have reneged on contractual agreement.	CFO
Reduction in Prior Year Income Risk/Provisions					0.8	0.8		0.8	Negotiation with CCGs over prior year items: estimated to be concluded in October	CFO
Activity Growth	4.9		(4.9)	3.4		(1.5)	1.5	0.0	Activity increased in line with plan. Weekly activity targets introduced now (& monitored) - this will be on-going action	COO
			(10.2)	3.4	0.8	(6.0)	4.5	(1.5)		
Savings & Productivity:										
Clinical Income Re Stretched Planned Productivity	7.0	100%	(7.0)	2.0		(5.0)		(5.0)	Risk mitigated with additional savings on next line	
Additional 2% Savings Requirements + SaSH +	5.0	75%			3.8	3.8		3.8	Fully implement additional savings plan (on-going)	Chiefs & COO
Cost Improvement Programme	6.2	25%	(1.6)			(1.6)		(1.6)	Risk mitigated by next line. However, all CIPs will be pursued (on-going, through CIP PMO)	Lead Directors
Contingency Reserve							3.0	3.0		
			(8.6)	2.0	3.8	(2.9)	3.0	0.2		
Discretionary Cost Control:										
							1.3	1.3	Restrictions on discretionary spend are in place, but can be flexed. Currently do not include staffing costs	CEO
Total Risk Position Before S & T Funding			(18.8)	5.4	4.6	(8.8)	8.8	(0.0)		
S & T Funding (Quarters 2- 4)			(7.5)			(7.5)	7.5		Dependant on success of above actions	
Total Risk Position Post S & T Funding			(26.3)	5.4	4.6	(16.3)	16.3	(0.0)		
Control Total Surplus						21.3		21.3		
Risk Adjusted Surplus						5.0		21.3		

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Other Financial related risks on the risk registers:

- **Liquidity problem: Rating** (likelihood * impact): **15** (risk register 1604). This risk is visible in the SoFP's working capital position and the liquidity ratio reported on the KFI page (p5). The cash injection required to deliver the 15 day liquid ratio target is approximately £30m.
- **Fraud** (likelihood * impact): **4** (risk register 1020). Generic risk applicable to all Trusts.
- **Financial planning:** (likelihood * impact): **15** (risk register 1603). This risk is due to central actions to manage costs across the NHS are not yet clearly described and the tariff is not yet defined, plus cumulative impact of other finance risks here. RAG has turned red with the impact of urgent care activity and the level of risk to the forecast.
- **SBS System risk:** (likelihood * impact): **6** (risk register 1500) This is a result of the significant issues arising during 2013/14 and 15/16. There has been some resolution to core problems but issues still remain, and dialogue has been satisfactory. This is increasing affecting payroll rather than the financial ledger systems. Dialogue is continuing with SBS about the nature of the service and the price per payslip.